

THE OHIO STATE UNIVERSITY  
OFFICIAL PROCEEDINGS OF THE  
ONE THOUSAND TWO HUNDRED AND EIGHTY-FIRST MEETING  
OF THE BOARD OF TRUSTEES

Columbus, Ohio, April 3, 1992

The Board of Trustees met at its regular monthly meeting on Friday, April 3, 1992, at The Ohio State University Mansfield Campus, Mansfield, Ohio, pursuant to adjournment.

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Minutes of the last meeting were approved.

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April 3, 1992 meeting, Board of Trustees

The Chairman, Mr. Teaford, called the meeting of the Board of Trustees to order on April 3, 1992, at 9:20 a.m. He requested the Secretary to call the roll. The meeting recessed into Executive Session for the purpose of considering legal issues and personnel-related matters.

Present: Hamilton J. Teaford, Chairman, John J. Barone, Deborah E. Casto, John W. Kessler, Alex Shumate, Theodore S. Celeste, Michael F. Colley, David A. Tonnies, and Kristen Cusack.

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Mr. Teaford reconvened the meeting on April 3, 1992, at 11:30 a.m.

Present: Hamilton J. Teaford, Chairman, John J. Barone, Deborah E. Casto, John W. Kessler, Alex Shumate, Theodore S. Celeste, Michael F. Colley, David A. Tonnies, and Kristen Cusack.

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### **PRESIDENT'S REPORT**

President Gee:

It is a delight for us to be here today on this beautiful campus. I want to thank Dean John Riedl and his staff for hosting us on this occasion. It is always a pleasure for me to be here and it is a pleasure, John, I can assure you and the Citizens Committee and others, for the Trustees to come and be here with us.

In addition to serving as dean and director here, and associate professor of mathematics, Dr. Riedl is coordinating dean for our extended campuses. I am pleased to have this opportunity to publicly express my appreciation to you, John, and to tell you what an outstanding job you are doing to strengthen Ohio State's role in the many communities we serve.

Our extended campuses are the front doors to the university for thousands of people. The growth of the programs and enrollment on this campus since its inception in 1958 serves to demonstrate the important niche they fill in meeting the needs of Ohioans. Each time I visit these campuses, I am reminded of their particular importance to place-bound students, returning students, and those part or full-time employed. They serve as an entry point to the University for a number of students pursuing majors only available here or there. And for many, they provide the opportunity for personal enrichment, advancement, or career change.

As is evident today, these campuses have a very special relationship with the surrounding communities. Through educational and cultural programming, research, and advisory committees, the campuses are responsive to the needs of their host areas.

The past month has given me another exceptional opportunity to see first-hand the many ways that The Ohio State University reaches out to the people of the state. In a four-day state tour, I visited 12 western Ohio counties. Actually, in the more than 500 miles we put on the van, we drove through several more counties -- but my staff will not let me count those drive-through glimpses!

## **PRESIDENT'S REPORT (contd)**

President Gee: (contd)

I visited three high schools and spoke to eight alumni gatherings, with a total attendance of nearly 1,000. To our lunch time meetings, we invited the area school superintendents, principals, and guidance counselors to join our alumni. In several spots, we were joined by Optimist and Lions Club members. In the evenings, we included newly admitted students of high ability and their parents. I came away from these meetings energized by the spirit and loyalty of our many friends that we have in this great state. They left, I hope, fired up to call their elected officials and actively support this university. I, of course, met with several of our friends from the General Assembly in their home districts, and with newspapers and broadcast media.

In order to see the work of Ohio State in the field (quite literally), we visited a swine farm, a recycling center, the Hobart Institute of Welding Technology, and the Dannon Yogurt plant. We saw bacon and ham on the hoof, and blueberry yogurt in vats.

Our extension faculty and faculty members on the campuses are working closely with these and other businesses and industries, contributing to their success. In our sessions with community leaders, it was clear they appreciate the resources of The Ohio State University.

From the town of St. Patrick in Shelby County -- on St. Patrick's Day -- to Ohio Northern University, we had a very busy and productive few days. I look forward to three more tours this spring and summer. I think that will make all 88 counties for me!

The importance of our outreach is brought into sharp focus as we face a serious budget crisis. The people of this state told me quite clearly that they value Ohio State and what it is doing for them, their children, and their communities. I have spent considerable time this past month making that point and de-bunking a number of myths as we attempt to set the record straight on the true worth of universities and, in particular, of Ohio State.

During a television interview in Cleveland Wednesday, I told the listeners that the future of this state is in peril if we allow political short-sightedness to put the brakes on progress. I appreciate the support I have received from faculty, students, staff members, from people in this room, and others who have crowded out on that limb with me!

We heard today from Jim Mager, Bob Arkin, and David Hothersall about the success of our student recruitment program. Let me assure them and you that we will work tirelessly to ensure that the students they have brought to our university have the high quality experience they expect and deserve. Student recruitment is but one of our success stories. There are a number of good things happening around our campuses.

The synchronized swimming team again won a national championship and we had a national championship wrestler. Mark Harper, a doctoral student in materials science and engineering won a BF Goodrich Inventors Award one of three in the nation. He also has recently been named a Fulbright Scholar.

### **PRESIDENT'S REPORT (contd)**

President Gee: (contd)

Dr. Lynne Cheney, the chair of the National Endowment for the Humanities, delivered a lecture in Columbus last evening as part of the Leaders for the 21st Century Speaker Series -- a program developed for and by students. Hispanic Awareness Week opens tomorrow, and the Surgeon General of the United State, Dr. Antonia Novello, will be the speaker.

And so, the recent weather notwithstanding, spring has arrived at The Ohio State University. A glance at our newspaper, the Lantern, during the first week of spring reveals these things that a student can do:

- ☐ Go to a student government candidate debate
- ☐ Volunteer to be a Wexner Center usher
- ☐ Join the two-time defending Big Ten Champion Rugby Team
- ☐ Buy a computer that, the ad claims, will do everything but the laundry and find you a date!
- ☐ Join a rally for state support of education
- ☐ Apply for a summer undergraduate research position in the College of Pharmacy or, I suppose, any one of the hundreds of other things that spring brings out in our energetic and talented students!

In closing, I do not want the occasion to pass without noting our pride in the Big Ten Champion men's basketball team. Many have comments about the extraordinary way the campuses and community have embraced this group of students and their coaches.

I was not able to attend the games in Lexington -- and I left it to Chairman Teaforde to get the job done. But, much greater than our disappointment is our pride in the way they represented this university. They lifted our spirits and gave us great joy. And they certainly represent the word "student" in student athlete, as well as any group of young men I have seen.

Thank you, Mr. Chairman. Again, John, thanks to you and all of our friends from Mansfield for allowing us to be at this beautiful campus on this great occasion.

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### **RESEARCH FOUNDATION REPORT**

Ms. Casto:

I am pleased to report that the increase in research funding received by The Ohio State University Research Foundation continues to show real growth. At tab 1 we see that the award level for the period, July through February, is 24.79 percent above the same period last year. The industrial awards category has increased by over 46

## **RESEARCH FOUNDATION REPORT (contd)**

Ms. Casto: (contd)

percent. However, funding from the State of Ohio is down by about 35 percent. The number of awards received during this period has increased from 919 to 984.

At tab 2 you will find expenditure summaries. It is noteworthy that the expenditures for permanent equipment are running more than 27 percent ahead of the same period last year. Research indirect costs have increased from \$17.0 million to \$18.7 million.

Some projects of special interest which were funded in the month of February are listed at tab 3. I thought you might be interested that the College of Medicine is continuing a comprehensive program to increase the number of physicians trained from a disadvantaged background. The NSF funding for a summer workshop on data analysis for undergraduate faculty is a good example of how federal funding can contribute significantly to undergraduate education. At tab 4 is the list of all projects funded in February. In addition to the awards listed, I am pleased to inform you that we will soon be receiving three highly prestigious Alfred P. Sloan Fellowships.

Tab 5 includes two press releases issued by University Communications highlighting recent research activity. Research features recently completed research in medicine and the hard sciences, and Newsfeatures spotlights summaries of research in business and the social sciences.

This is an excellent report. Those kinds of increases are just truly wonderful. I would like to ask Dr. Hayes to also speak to another article that was in the newspaper this week, that I thought was outstanding.

Dr. Hayes:

You may have seen the article in the Dispatch today, on the Ohio Nuclear Waste Education Program that was just funded. This educational program is bringing together our nuclear engineering faculty, Cooperative Extension and education people on the campus. It will allow the University to bring together the talent that we have and bring the facts of the matter, so that we can play the honest broker role, in making sure that the community has the information they need to discuss this very important public policy issue.

Ms. Casto:

That is great. Does anyone have any questions on the report?

## **REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS**

Resolution No. 92-105

Synopsis: Approval of the following reports on contracts, grants, and gifts and the summary for February 1992 is proposed.

WHEREAS monies are solicited and received on behalf of the University from governmental, industrial, other agencies, alumni, and various individuals in support of research, instructional activities, and service; and

April 3, 1992 meeting, Board of Trustees

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

WHEREAS such gifts and grants are received through The Ohio State University Research Foundation, the Engineering Experiment Station of The Ohio State University, and The Ohio State University Development Fund:

NOW THEREFORE

BE IT RESOLVED, That the research agreement between The Ohio State University and The Ohio State University Research Foundation for the contracts and grants reported herein, and the acceptance of the reports from the Engineering Experiment Station, and The Ohio State University Development Fund during the month of February 1992 be approved.

Upon motion of Ms. Casto, seconded by Mr. Shumate, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

Summary

FEBRUARY 1992

Source	7/1/90-2/28/91	7/1/91-2/29/92	February 1992
The Ohio State University Research Foundation	\$84,340,761.03	\$105,245,198.36	\$9,325,674.70
Engineering Experiment Station	\$ 4,754,630.00	\$ 4,093,915.00	\$ 60,832.00
OSU Foundation and Development Fund	\$34,294,222.00	\$ 34,636,299.00	\$4,332,387.00

The Ohio State University Development Fund

Establishment of Named Funds

The Fred D. Pfening, Jr. Library Enrichment Fund (Support library)	\$ 80,000.00
The Lena Bailey Dean's Fund (Support College of Human Ecology)	\$ 18,666.00
The Edith and Abraham Mendel Yiddish Library Endowment Fund (Purchase and process library material)	\$ 15,395.00
The Classics Fund (Fund the annual A. G. Woodhead prize, the John Vaughn Memorial Award and other departmental prizes)	\$ 15,000.00
The Robert A. and Dorothy M. Hodson Family 4-H Fund (Scholarships - Highland County)	\$ 15,000.00

April 3, 1992 meeting, Board of Trustees

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

Summary (contd)

The Ohio State University Development Fund (contd)

Establishment of Named Funds (contd)

The Talvi Endowment Fund

(Provide financial assistance to students in the  
Department of Slavic and East European Languages  
and Literatures)

\$ 15,000.00

The Women's Pharmacy Club Scholarship Fund  
(Scholarships)

\$ 15,000.00

Change in Description of Named Funds

The Dana J. Demarest Scholarship Fund

H. V. Glunz Scholarship Fund

The Nathaniel W. Lord Memorial Library Fund

Rudolph Speiser Fund in Metallurgical Engineering

The Joseph W. Spretnak Memorial Scholarship Fund

The Howard Patterson Zeller Scholarship Fund

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

**THE OHIO STATE UNIVERSITY DEVELOPMENT FUND**

Description of Named Funds

**The Fred D. Pfening, Jr. Library Enrichment Fund**

The Fred D. Pfening, Jr. Library Enrichment Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from Fred D. Pfening, Jr. of Columbus, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for purposes such as the purchase of books, journals, and other library materials; for needed supplies and equipment; for personnel resources; for resources, activities, and fees related to preservation of library materials; or for other purposes deemed beneficial by the director of University Libraries. Unused income shall annually revert to the principal balance of the fund.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

**The Lena Bailey Dean's Fund**

The Lena Bailey Dean's Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio University Development Fund from friends and colleagues of Dr. Lena Bailey (Ph.D., Education, 1969).

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for priorities in the College of Human Ecology under the direction of the Dean of the College of Human Ecology, with annual review by the department chairpersons.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.



**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

**THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)**

Description of Named Funds (contd)

The Edith and Abraham Mendel  
Yiddish Library Endowment Fund

The Edith and Abraham Mendel Yiddish Library Endowment Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from Dr. Isadore Mendel (B.A., Biological Sciences, 1953; M.D., 1957) of Youngstown, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for purchasing and processing library materials related to Yiddish literature to be chosen at the discretion of the director of University Libraries. Unused income shall annually revert to the principal balance of the fund.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

The Classics Fund

The Classics Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with a transfer of funds from the Classics Support Fund.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used by the chairperson of the Department of Classics to fund the annual A. G. Woodhead prize, the John Vaughn Memorial Award(s) and other departmental prizes and awards. Additional income over and above that required to fulfill the purposes stated above may be used by the department chairperson at his or her discretion in furthering the Department of Classics' goals and mission.

It is the desire of the department chairperson that this fund should benefit the University in perpetuity. If the need for this fund shall cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out this desire.

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

**THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)**

Description of Named Funds (contd)

The Robert A. and Dorothy M. Hodson  
Family 4-h Endowment Fund

The Robert A. and Dorothy M. Hodson Family 4-H Endowment Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from Robert A. Hodson (B.S.Agr. '51) and Dorothy M. Hodson of Hillsboro, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide one or more college scholarships for 4-H members, either current or alumni, of Highland County, Ohio. The beneficiaries and the number of scholarships are to be determined by a committee of, or approved by, The Highland County 4-H Advisory Committee in cooperation with the University Committee on Student Financial Aid. The scholarships may be awarded to undergraduate or graduate students of any college or university, with preference to those in the College of Agriculture at The Ohio State University.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

The Talvi Endowment Fund

The Talvi Endowment Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from Professor David Robinson of the Department of Slavic and East European Languages and Literatures.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide financial assistance to undergraduate and graduate students in the Department of Slavic and East European Languages and Literatures in the form of annual awards for research, service and teaching activities. The selection process shall be determined by the chairperson of the Department of Slavic and East European Languages and Literatures. If there is an excess of annual income beyond that used for the purpose stated above, such funds may be retained for use in following years or may be used to benefit the Department of Slavic and East European Languages and Literatures at the discretion of the department chairperson.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund shall cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

**THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)**

Description of Named Funds (contd)

The Women's Pharmacy Club Scholarship Fund

The Women's Pharmacy Club Scholarship Fund was established April 3, 1992, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from the Women's Pharmacy Club of Columbus, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide one or more scholarships to women pharmacy students who are citizens of the United States and who have no less than a 2.3 cumulative grade point average. The selection of the award recipient(s) shall be made by the appropriate College of Pharmacy faculty committee in consultation with the University Committee on Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the dean of the College of Pharmacy in order to carry out the desire of the donor.

Change in Description of Named Funds

The Dana J. Demorest Scholarship Fund

The Dana J. Demorest Scholarship Fund was established May 17, 1954, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from "Metalumni" in honor of Professor Dana J. Demorest. The description was revised April 3, 1992.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for scholarships and awarded to students in metallurgical engineering and materials science and engineering. Award recipients shall be selected by the University Committee on Student Financial Aid upon the recommendation of the chairperson of the Department of Materials Science and Engineering.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

April 3, 1992 meeting, Board of Trustees

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

**THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)**

**Change in Description of Named Funds (contd)**

**The H. V. Glunz Scholarship Fund**

The H. V. Glunz Scholarship Fund was established February 1, 1974, by the Board of Trustees of The Ohio State University, with a gift to The Ohio State University Development Fund from the late Herman Van Moss Glunz, with the Class of 1912, formerly of Norristown, Pennsylvania. The description was revised April 3, 1992.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide one or more scholarships for undergraduate and/or fellowships for graduate students who have demonstrated academic ability and need for financial assistance. The selection of the recipient is to be made upon the recommendation of the College of Engineering Scholarship Committee in consultation with the University Committee on Student Financial Aid. Preference shall be given to students in the College of Engineering studying materials science and engineering with special emphasis on the mineral industries.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donor.

**The Nathaniel W. Lord Memorial Library Fund**

The Nathaniel W. Lord Memorial Library Fund was established March 6, 1939, by the Board of Trustees of The Ohio State University with gifts to The Ohio State University Development Fund from various individuals. The description was revised April 3, 1992.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for the purchase of books for the Department of Materials Science and Engineering.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

**REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

**THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)**

**Change in Description of Named Funds (contd)**

**The Rudolph Speiser Fund in Metallurgical Engineering**

The Rudolph Speiser Fund in Metallurgical Engineering was established May 4, 1984, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from alumni, friends, and colleagues of Rudolph Speiser (B.A., Arts and Sciences, 1938; M.A., Chemistry, 1940) of Estes Park, Colorado. The description was revised April 3, 1992.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used in support of the academic and research programs of metallurgical engineering and materials science and engineering. The chairperson of the Department of Materials Science and Engineering shall have authority to authorize expenditures from the fund as approved by the dean of the College of Engineering.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

**The Joseph W. Spretnak Memorial Scholarship Fund**

The Joseph W. Spretnak Memorial Scholarship Fund was established September 8, 1978, by the Board of Trustees of The Ohio State University, with gifts to The Ohio State University Development Fund from family, friends and colleagues of Joseph W. Spretnak (B.S.Met.E. '38), Professor of Metallurgical Engineering, late of Columbus, Ohio. The description was revised April 3, 1992.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide scholarship assistance to undergraduate students enrolled in metallurgical engineering and materials science and engineering. The award recipients shall be selected by the University Committee on Student Financial Aid upon the recommendation of the Scholarship Committee of the Department of Materials Science and Engineering.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

April 3, 1992 meeting, Board of Trustees

## **REPORT OF RESEARCH CONTRACTS, GRANTS, AND GIFTS (contd)**

### **THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)**

#### **Change in Description of Named Funds (contd)**

##### **The Howard Patterson Zeller Scholarship Fund**

The Howard Patterson Zeller Scholarship Fund was established December 31, 1948, by the Board of Trustees of The Ohio State University, with a gift to The Ohio State University Development Fund from Hazel Zeller Nesbitt, Hugh E. Nesbitt, Helen Zeller Gardiner, Harold M. Gardiner, Max J. Zeller, Mary Alice Davis Zeller, Shirley Nesbitt Westwater and William K. Westwater in memory of Howard Patterson Zeller (Mining Engineering, 1906). The description was revised April 3, 1992.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for scholarships and awarded to students majoring in mining, metallurgical and materials engineering. Award recipients shall be selected by the University Committee on Student Financial Aid upon the recommendation of the chairperson of the Department of Materials Science and Engineering.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the appropriate college dean, department chairperson, or program administrative officer in order to carry out the desire of the donors.

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## **HOSPITALS BOARD REPORT**

Mr. Barone:

The Hospitals Board's Strategic Planning Committee met on Thursday, March 19, for a planning process update.

The Committee reviewed suggested strategic long-range planning and intermediate goals for Financial and Centers of Emphasis strategies. Special attention focused on the Neuroscience strategic planning process. Mr. Fraley presented a status report on the first six months of the Hospitals' operating plan for this fiscal year.

Dr. Kathryn Clausen reported on the activities of the College of Medicine's Strategic Planning Committee.

Lastly, the Committee viewed examples of a signage program proposed to identify the location of University Hospitals to travelers on Route 315. Other parts of the program would direct visitors to parking spaces and specific healthcare services, help pedestrians locate specific medical center buildings, and provide internal directional signage within the buildings.

### **HOSPITALS BOARD REPORT (contd)**

Mr. Barone: (contd)

This completes my report, Mr. Chairman. I think everyone knows that Route 315 will be coming right into the Hospitals area and will be a tremendous help to the Cancer Hospital, University Hospitals, and Psychiatric Hospital, which will be breaking ground sometime this month.

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### **AGRICULTURAL AFFAIRS COMMITTEE REPORT**

Mr. Celeste:

The Agricultural Affairs Committee of The Ohio State University Board of Trustees met at Wooster, Ohio, on March 18, 1992. They met informally with members of the Wooster Area Chamber of Commerce and the discussion included current status of budget cuts, projected budget cuts, and their impact on agriculture in Ohio and, particularly, on the College of Agriculture. Capital Improvement projects were also discussed at some length.

After an informal lunch, the Committee toured the Agricultural Technical Institute and we also toured various areas of the OARDC campus, including composting/biomass research, poultry genetics, greenhouse production and control. A visit was also made to the Northeast District Office of the Ohio Cooperative Extension Service, which is located at OARDC. We are planning a similar visit this month to Piketon.

That concludes my report.

Mr. Teaford:

Thank you, Mr. Celeste. I would just like to point out to everybody that the composting experiment and research that we saw has already had a direct impact, I believe, in the Akron area. All of that research is done in a milk shed at the back of a farm, in a space not much larger than this table. And it is some of the leading research in the United States in composting. So, less anyone think that our researchers have laps that are covered with silk, I would only urge you to go see that milk shed.

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### **ACADEMIC AFFAIRS COMMITTEE REPORT**

Ms. Casto:

Today we heard a report on Merit Scholar Recruitment. Considerable efforts continue to be exerted in recruiting high-ability students to attend The Ohio State University. Such efforts, involving close cooperation between a number of university offices, have been coordinated and directed by the Undergraduate Recruitment Implementation Steering Committee (URISC) chaired by Dr. Robert Arkin.

**ACADEMIC AFFAIRS COMMITTEE REPORT (contd)**

Ms. Casto: (contd)

Merit based scholarships and outstanding academic programs are the two most critical factors in attracting high ability students. For the incoming class of 1992, such scholarships will include Distinguished and Discovery Scholarships for National Merit and National Achievement Finalists, Ten Presidential Scholarships, Forty Medalist Scholarships, and University Scholarships awarded to students in the top 3 percent of their high school class who are honors eligible.

In 1991, 109 National Merit/National Achievement Finalists enrolled at Ohio State. We project that approximately the same number of National Merit/National Achievement Finalists will enroll as freshmen in 1992.

This year 682 students were awarded University Scholarships and invited to the on campus Presidential/Medalist Scholarship Competition held in March. Four hundred and ninety-seven students competed, which is an increase of 65 from the number last year. We project that 380 University Scholars will enroll in this year's entering class. These numbers include the Presidential and Medalist Scholars.

These high-ability students have a significant impact on the profile of the undergraduate class. It is expected that they will also serve to attract additional excellent students to the university. The expected academic success of such students will be reflected in improved retention and graduation rates. It is a success story that should be told over and over.

Mr. Teaford:

It is, I might add, to put that number of 109 merit scholars in perspective, Ohio State ranks ninth in the nation in the number of National Merit Scholars in its freshman class. And that is a direct result of this Presidential Scholars Program that Ms. Casto has talked about.

Ms. Casto:

We are also recommending the following resolutions:

**REVOCATION OF DEGREE**

Resolution No. 92-106

Synopsis: The Academic Affairs Committee recommended the revocation of a Master of Science degree.

WHEREAS a Committee of Investigation appointed by the Dean of the Graduate School to review charges of scholarly misconduct recommended the revocation of the Master of Science Degree of Vinod Kumar; and

WHEREAS the Committee of Investigation further recommended that Vinod Kumar be separated from The Ohio State University for a minimum period of one quarter, effective with the Spring Quarter of 1992; and



**REVOCATION OF DEGREE (contd)**

WHEREAS the Committee of Investigation further recommended that Vinod Kumar not be allowed to hold employment in a research or technical capacity at The Ohio State University during the period of such suspension; and

WHEREAS these recommendations were concurred with by the Dean of the Graduate School; and

WHEREAS the appropriate bodies and administrative officers of the University have fully complied with the "Guidelines for Review of Allegations of Scholarly Misconduct by Graduate Students" and in accordance with those procedures, have recommended that the Master of Science degree of Vinod Kumar be revoked:

NOW THEREFORE

BE IT RESOLVED, That the Master of Science degree of Vinod Kumar, granted December 7, 1990, pursuant to paragraph (E) of rule 3335-1-06 of the Administrative Code, is hereby revoked effective this third day of April, 1992, and shall no longer be of force and effect; and further that the proposed sanctions of the Committee of Investigation relating to separation from The Ohio State University and employment at the University be fully implemented.

Upon motion of Ms. Casto, seconded by Mr. Celeste, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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**DISTINGUISHED SERVICE AWARDS**

Resolution No. 92-107

Synopsis: The Academic Affairs recommended the awarding of Distinguished Service Awards to four individuals.

WHEREAS the President's Executive Committee, serving as a Committee on Distinguished Service Awards, has nominated and recommended four individuals for approval by the Board of Trustees to receive the Distinguished Service Award at a time convenient to the University and the recipients:

Lena Bailey  
Thomas E. Cavendish  
Leonard J. Immke, Jr.  
Shirley Brooks Jones

and

WHEREAS these awards are given in recognition of distinguished service to The Ohio State University and the awards are in accordance with action taken by the Board of Trustees in 1952:

NOW THEREFORE

April 3, 1992 meeting, Board of Trustees

### **DISTINGUISHED SERVICE AWARDS (contd)**

BE IT RESOLVED, That the Distinguished Service Awards be approved for awarding as designated above.

Upon motion of Ms. Casto, seconded by Mr. Colley, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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### **PERSONNEL ACTIONS**

Resolution No. 92-108

RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the March 7, 1992 meeting of the Board, including the following Concurrent Appointment, Appointment of Chairperson and Directors, Reappointment of Director, Leaves of Absence Without Salary, Professional Improvement Leave, Professional Improvement Leave--Cancellation, Medical Staff Appointment (The Arthur G. James Cancer Hospital and Research Institute), and Emeritus Titles, as detailed in the University Budget be approved.

#### **Concurrent Appointment**

Name:	GARY L. FLOYD
Title:	Coordinating Dean for Arts and Sciences
Office:	Academic Affairs
Effective Period:	\$108,688.00
Present Assignment:	Dean, College of Biological Sciences (No Change)

#### **Appointment of Chairperson and Directors**

March 1, 1992 through June 30, 1992

Agricultural Technical Institute

Lawrence H. Newcomb\*

July 1, 1992 through June 30, 1996

School of Music  
Theatre

Donald Gibson  
Kathleen F. Conlin

#### **Reappointment of Director**

January 1, 1992 through June 30, 1996

School of Public Policy and Management

Astrid E. Merget

\*Acting

#### **Leaves of Absence Without Salary**

MARY JO BOLE, Assistant Professor, Department of Art, effective Spring Quarter 1992, to do a residency at the Waikato Polytech in Hamilton, New Zealand.

April 3, 1992 meeting, Board of Trustees

### **PERSONNEL ACTIONS (contd)**

#### Leaves of Absence Without Salary (contd)

CRAIGE ROBERTS, Assistant Professor, Department of Linguistics, effective Spring Quarter 1992, to work on a research project at the University of Amsterdam, Department of Philosophy.

JOY A. SCIME, Instructor, Department of History, effective February 17, 1992, through March 29, 1992, for personal reasons.

#### Professional Improvement Leave

GRAHAM R. WALDEN, Assistant Professor, University Libraries, effective March 23, 1992, through June 22, 1992.

#### Professional Improvement Leave--Cancellation

KENT S. KNAEBEL, Associate Professor, Department of Chemical Engineering, effective Autumn Quarter 1991 and Winter Quarter 1992.

#### Medical Staff Appointment (The Arthur G. James Cancer Hospital and Research Institute)

July 1, 1991 through June 30, 1993

WALTER B. HULL, Clinical Attending Staff, Obstetrics and Gynecology

#### Emeritus Titles

FREDERICK E. HUTCHINSON, Office of Academic Affairs -- Administration and Department of Agronomy, with the title Senior Vice President and Provost, and Professor Emeritus, effective April 1, 1992.

DONALD P. ANDERSON, College of Education -- Administration, with the title Dean and Professor Emeritus, effective March 1, 1992.

IVAN I. MUELLER, Department of Geodetic Science and Surveying, with the title Chairperson and Professor Emeritus, effective March 1, 1992.

DAVID H. BOYNE, Office of Academic Affairs -- Administration and Department of Agricultural Economics and Rural Sociology, with the title Professor and Associate Provost Emeritus, effective March 1, 1992.

CHARLES E. CORBATO, Office of Academic Affairs -- Administration and Department of Geological Sciences, with the title Professor and Associate Provost Emeritus, effective March 1, 1992.

HOWARD L. GAUTHIER, Office of Academic Affairs -- Administration and Department of Geography, with the title Professor and Associate Provost Emeritus, effective March 1, 1992.

TREVOR G. ARSCOTT, Department of Agronomy, with the title Professor Emeritus, effective March 1, 1992.

**PERSONNEL ACTIONS (contd)**

Emeritus Titles (contd)

BERNARD U. BOWMAN, Department of Medical Microbiology and Immunology, with the title of Professor Emeritus, effective January 1, 1992.

EUGENE R. CAPRIOTTI, Department of Astronomy, with the title Professor Emeritus, effective March 1, 1992.

STUART A. COLLINS, JR., Department of Electrical Engineering, with the title Professor Emeritus, effective March 1, 1992.

DONALD R. CRUICKSHANK, Department of Educational Theory and Practice, with the title Professor Emeritus, effective March 1, 1992.

DEREK HORTON, Department of Chemistry, with the title Professor Emeritus, effective March 1, 1992.

AARON J. MILLER, Department of Educational Studies: Humanities, Science, Technological, and Vocational, with the title Professor Emeritus, effective January 1, 1992.

RICHARD H. RAPP, Department of Geodetic Science and Surveying, with the title Professor Emeritus, effective March 1, 1992.

GISELA M. VITT, Department of German, with the title Professor Emeritus, effective March 1, 1992.

WILLIAM W. WAYSON, Department of Educational Policy and Leadership, with the title Professor Emeritus, effective March 1, 1992.

JAMES R. C. LEITZEL, Department of Mathematics, with the title Associate Professor Emeritus, effective March 1, 1992.

ANTHONY E. PETRARCA, Department of Computer and Information Science, with the title Associate Professor Emeritus, effective March 1, 1992.

RUSSELL O. UTGARD, Department of Geological Sciences, with the title Associate Professor Emeritus, effective March 1, 1992.

CAROL A. WINCHELL, University Libraries, with the title Associate Professor Emeritus, effective March 1, 1992.

JEROME G. DARE, Department of Radiology, with the title Assistant Professor Emeritus, effective March 1, 1992.

MERLIN A. WENTWORTH, Cooperative Extension Service, with the title Assistant Professor Emeritus, effective March 1, 1992.

JOHN C. CLEAVER, Department of Animal Science, with the title Instructor Emeritus, effective March 1, 1992.

April 3, 1992 meeting, Board of Trustees

### **PERSONNEL ACTIONS (contd)**

Emeritus Titles (contd)

A. EARL MCGAHA, Department of Agronomy, with the title Instructor Emeritus, effective March 1, 1992.

Upon motion of Ms. Casto, seconded by Mr. Celeste, the Board of Trustees adopted the foregoing resolution by unanimous roll call vote.

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### **RESOLUTIONS IN MEMORIAM**

Resolution No. 92-109

Synopsis: The Academic Affairs Committee recommended the approval of the following Resolutions in Memoriam.

RESOLVED, That the Board adopt the following Resolutions in Memoriam and that the President be requested to convey a copy to the families of the deceased.

Henry E. Wilson

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on February 21, 1992, of Henry E. Wilson, M.D., Professor Emeritus in the Department of Internal Medicine.

Henry E. Wilson was born on August 24, 1910, in Marshalltown, Iowa. He attended the University of Illinois and graduated in 1932 with the A.B. degree. He attended McGill University and received his M.D. degree in 1937. Following medical school, Dr. Wilson completed a one-year internship in 1939 at the Presbyterian Hospital in Chicago. He attended a number of prestigious institutions to complete his specialty residency training. Among these were a one-year program at the Mallory Institute of Pathology at Boston City Hospital, followed by a year of residency training at the New Haven Hospital and another year as a resident in medicine at the University Hospitals in Columbus, Ohio. During the 1942-43 academic year, Dr. Wilson was honored by his colleagues and faculty in the Department by being named Chief Medical Resident for that year. Serving in this capacity is considered the highest honor for a resident in medicine. Dr. Wilson attended courses through the Army Medical School and the Oak Ridge Institute of Nuclear Studies to refine his scientific skills further after residency training.

In 1941 Dr. Wilson was appointed to the faculty in the Department of Medicine with the rank of Assistant Professor. He was later promoted to Associate Professor and in 1946 accepted a position as Associate Professor of Medicine at Northwestern University Medical School. He remained at that institution until 1954, when he returned to Ohio State.

In his capacity as a faculty member in the Department of Medicine at Ohio State, Dr. Wilson also served as Vice Chairman of the Department from 1954 until 1960, and as Acting Chairman of the Department from 1960 until 1961. He was promoted to Professor of Medicine in July 1955 and retired from the faculty with the rank of Professor Emeritus in 1981.

**RESOLUTIONS IN MEMORIAM (contd)**

Henry E. Wilson (contd)

Dr. Wilson held memberships in a number of national medical societies, including the medical honorary society AOA, the American College of Physicians, American Association for Cancer Research, American Society of Clinical Oncology, American Federation for Clinical Research, the American Medical Association, and many others. He was an active and respected member of these organizations, to which he devoted years of loyal service and effort. Further, he was active in the community, serving on the Board of Directors, Executive Committee and Blood Services Committee of the American Red Cross. He also served on the Board of Trustees of the First Congregational Church in Columbus, Ohio.

Throughout his career, Dr. Wilson was known as a compassionate physician and an outstanding teacher. He remained very active on the faculty of the Department of Internal Medicine following his retirement in 1981, continuing to see cancer patients in the University Hospitals as well as developing a practice at the local VA Outpatient Facility. Dr. Wilson was a tireless and devoted physician whose many contributions to The Ohio State University Medical Center will be missed by all those who knew him.

On behalf of the University, the Board of Trustees expresses to the family its deep sympathy and sense of understanding in their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to the family as an expression of the Board's heartfelt sympathy.

Wilbur B. Wood

The Board of Trustees of the Ohio State University expresses its sorrow upon the death on March 4, 1992 of Wilbur B. Wood, Professor Emeritus in the Cooperative Extension Service.

Mr. Wood was born November 19, 1905, in Miami County, Ohio. He completed his B.S. in Agriculture in 1927, and the M.S. in agriculture in 1936 at The Ohio State University.

Mr. Wood began his Extension career in Ohio when he joined the faculty of The Ohio State University in 1944 as a County Agricultural Agent in Madison County. He left this position in September of 1947 to accept the position of Junior Dean in the College of Agriculture. He held this position until February 1953 when he was named Acting Director of the Ohio Cooperative Extension Service. He became Director in 1954 and continued in that position until 1963. He then served at the Punjab Agricultural University, Ludhiana, India, until 1968. He retired from the Ohio Cooperative Extension Service in 1968.

In 1970, Mr. Wood was presented the "Centennial Award" from the College of Agriculture and Home Economics on The Ohio State University's 100th Anniversary.

Mr. Wood's contributions in providing excellent Extension educational programs during his career earned him the respect and admiration of his co-workers.

**RESOLUTIONS IN MEMORIAM (contd)**

Wilbur B. Wood (contd)

On behalf of the University community, the Board of Trustees expresses to the family its deep sympathy and understanding in this loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to the family as an expression of the Board's heartfelt sympathy.

Upon motion of Ms. Casto, seconded by Mr. Celeste, the Board of Trustees adopted the foregoing resolution by unanimous voice vote.

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**STUDENT AFFAIRS COMMITTEE REPORT**

Mr. Tonnies:

This morning we heard a report from Dr. Mary Daniels and Mr. Larry Lewellen regarding the Student Health Insurance Plan for 1992-93. The Student Affairs Committee unanimously recommended the approval of the renewal of the Student Health Insurance Program with Central Benefits Mutual Insurance Company.

The proposed quarterly rates for a student is \$139.00 and that is up from \$116.00; student and spouse is \$340.00, up from \$285.00; student and children is \$430.00, up from \$366.00; and student, spouse and children is \$625.00, up from \$537.00. This is only a small increase when compared to the increased benefits, which this new package has. The Committee's objectives and goals are included in their Executive Summary which all of the Trustees have previously received.

**STUDENT HEALTH INSURANCE**

Resolution No. 92-110

Synopsis: The Student Affairs Committee recommended the approval of the renewal of the Student Health Insurance Program with Central Benefits Mutual Insurance Company.

WHEREAS on May 4, 1989, this Board awarded the insurance contract to Central Benefits Mutual Insurance Company following a competitive bid process, effective Autumn Quarter 1989 for an initial two (2) year term, subject to renewal thereafter; and

WHEREAS the University now has the opportunity to competitively bid the program or to seek renewal of the program with the current carrier; and

WHEREAS the current carrier, Central Benefits Mutual Insurance Company, has offered renewal rates that are very competitive in the insurance market and appropriate to our history of claims experience; and

WHEREAS the Student Health Insurance Committee obtained the assistance and expertise of Stephen L. Beckley & Associates, a nationally recognized student insurance consulting firm, and also obtained selected actuarial review/consulting services from William M. Mercer, Inc., an international benefits and actuarial consulting firm; and

### **STUDENT HEALTH INSURANCE (contd)**

WHEREAS after consideration of the desires and concerns of the students who purchase the insurance, the Student Health Insurance Committee of the Council on Student Affairs has recommended -- and the full Council has ratified that recommendation -- that the current contract be renewed at the specific rates to provide the existing benefits plus numerous benefit improvements and cost containment measures as illustrated by the following examples:

(a) Revising/expanding the Capitation coverage (self-funded services of the Student Health Service) from \$150 per illness to \$1000 blanket per year, with a reduction in coverage exclusions and time limits, and an increase in funded services;

(b) Changing the inpatient surgical and hospital facility coverages from insufficient scheduled benefits to a comprehensive major medical coverage (see (c) below) and implementing pre-certification review of inpatient admissions;

(c) Improving the major medical coverage from a per-sickness coverage with a 48 month time limit and a \$100,000 maximum, to an annual deductible with no time limits and a \$200,000 maximum;

(d) Adding MedOhio, the urgent care facilities of the University Hospitals, as a network preferred provider for evening and weekend urgent care.

(e) Placing limits on services such as outpatient mental health treatment and outpatient physical therapy, that are appropriate in the insurance industry;

(f) Adding selected benefits such as repatriation and preventive medical services to all insured students; and improving other selected benefits such as emergency medical transportation (from \$25 per occurrence to \$1000 per year);

(g) Removing selected coverage exclusion including suicide, acts of war while traveling abroad, and flying in non-commercial aircraft; and

WHEREAS this program will be available on an optional basis to all registered students for the following proposed Quarterly Premium Rates:

Classification	Expiring Quarterly Rates 1991-92	Proposed Quarterly Rates 1992-93
Student	\$116	\$139
Student & Spouse	\$285	\$340
Student & Children	\$366	\$430
Student, Spouse & Children	\$537	\$625

Appropriate rates have also been derived for students on a semester system, and for periods of continuing coverage while not registered as a student.

NOW THEREFORE



### **STUDENT HEALTH INSURANCE (contd)**

BE IT RESOLVED, That Central Benefits Mutual Insurance Company be approved for renewal of the Student Health Insurance Contract effective the first day of classes, Autumn Quarter 1992, for a period of one (1) academic year. The contract will provide the benefits now available under the terms of the current contract as well as the benefit changes contained in the report of the Student Health Insurance Committee.

Upon motion of Mr. Celeste, seconded by Mr. Shumate, the Board of Trustees adopted the foregoing resolution by unanimous roll call vote.

Mr. Tonnies:

We also had a presentation this morning from some of the Mansfield student leaders, along with Mr. Hank Thomas, who is coordinator of admissions at Mansfield. The students alluded to the positive and negatives at being at a "branch campus." For the most part, these students enjoy the educational opportunities offered at Mansfield and hope that they are increased in the future. They called for better communications with the main campus and for continued financial support.

I would like to remind the Trustees that approximately one-third of all of Ohio State's freshmen are at regional campuses, highlighting the important role regional campuses play as part of The Ohio State University. And I would like to thank those students that were here this morning for their time. If there are no questions, this completes my report.

Mr. Teaford:

I just wanted to add my appreciation for having a chance to speak with those students this morning. I can't tell you how important it is for the Trustees to be able to do that. I might add that at the conclusion of that meeting, I received a petition from three women who are so called "non-traditional students." They urge us to attempt to have more higher level and degree programs here at Mansfield, because of the problems that non-traditional students have. I will point out to you that this Board, probably as much as any, has great empathy with non-traditional students as three of us are married to non-traditional students, all of whom have small children at home. So, we do understand that need. As I said to the women, "the budget is the problem right now." But I think that is an important concern that they raised.

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### **FISCAL AFFAIRS COMMITTEE REPORT**

Mr. Teaford:

I will now call on Mr. Nichols to present the Internal Audit Report.

Mr. Nichols:

For many years starting approximately ten years ago, the Board of Trustees has had an annual presentation from external auditing firms with regards to external audits of the University. For a number of years beyond that ten year period of time, there has been an internal auditing department that had a relatively narrow focus over time.

### **FISCAL AFFAIRS COMMITTEE REPORT (contd)**

Mr. Nichols: (contd)

Based on discussions that occurred with the then Chairman of the Fiscal Affairs Committee, Mr. Kessler, we had some long discussions -- the use of internal audit to improve internal controls and to enhance and compliment the external audit function. That has occurred over the last two years in an involvement of changed procedures and changed direction. It has involved changing the organizational structure of internal auditing, as well as looking at it from a comprehensive point of view with regards, for example, to increased computerization on the campus and the need to look at that type of audit.

I also would point out that we have developed an excellent group of professionals and internal auditors. Many of them have come from external audit firms, are CPA's, and do have, as an internal audit group, varied responsibilities. Mr. Mark Hilligoss, who is the Director of Internal Auditing, reports to Business Administration, and will be giving you a short slide presentation on the internal audit function. I think you'll be impressed with the comprehensive nature of the changes that have occurred recently.

### **INTERNAL AUDIT REPORT**

Mr. Mark Hilligoss:

Good morning. Mr. Chairman, members of the Committee, thank you for the opportunity this morning to meet with you to discuss the functions of the Department of Internal Audit. My presentation this morning will essentially parallel the green books you have in front of you. The green books do have quit a bit more detail, so I plan on going through the slides rather quickly.

Our objective is to provide an independent appraisal function and a service to management by furnishing them with analysis, recommendations, counsel, and information concerning the activities we review. We perform the following primary functions: we examine financial transactions for accuracy and integrity; we evaluate financial and operational procedures for adequate internal controls; we evaluate and monitor systems of internal controls for the universities centralized and decentralized computing facilities to insure that adequate security and controls related to hardware, software, data, and operating personnel; we make a determination of compliance with policies, procedures, and laws; we perform operational reviews for cost effectiveness and cost-efficiency evaluations; we also perform investigations when needed; and we act as liaison with our external auditors.

Two years ago, the department embarked upon a plan to determine what should be audited at the University. We developed a quantitative approach to determine what kinds of risk existed in each department and then we associated values with those risk factors. This risk analysis methodology is based on these weighted average values and twenty risk factors. The factors are listed along with their associated weights on page 2 of your booklet. Sample values are listed for department X, for instance, to give you an idea of how the system works for each given audit entity or department. The higher the weighted average value of these items means the higher the relative risk. Therefore, we select those entities with the higher relative risk for audit.

## **INTERNAL AUDIT REPORT (contd)**

Mr. Hilligoss: (contd)

At The Ohio State University we have approximately 440 such audit entities and we update the data base periodically. This becomes the core basis of our annual audit plan. We take those items that are at the top of the list with the highest values, but we also reserve approximately 30 percent of our time for unplanned audits. For instance, for investigations that cannot wait until the next year's audit plan.

There are five major types of audits we perform. One is our basic comprehensive management audit. It reviews primarily the administrative controls of a department, revenue, expenses, equipment, payroll, leave timekeeping, and computer controls.

Our next type of audit is the EDP, electronic data processing audit. This is where we review the controls over an operating system, application system, or general controls of computing installation.

We're involved with audits at University Hospitals. In January of this year, we hired a Hospitals senior auditor to help us with those audits.

There are several reasons an investigative audit may be performed. It could be based on an audit tip or it could be a finding during an audit. The majority of fraudulent activities are not detected during a typical audit. We rely on management to be our eyes and ears. We work with University police to coordinate our efforts for each of these reviews.

An outgrowth of one of these audits was a program we have now, a fraud awareness program entitled "Fraud Detection and Prevention." It is used to assist management in identifying fraud exposures and symptoms to strengthen the detection and prevention of fraud. We also provide consultations -- a kind of non-threatening proactive type of review.

The next section is on Audit Methods. I think the key thing perhaps to remember here is that we have standard audit procedures which we use throughout an audit. The other program guides us through the conduct of an audit. We use internal control questionnaires to ask the auditee how things actually work in their departments and to help us identify control strengths and weaknesses. We develop flow charts to provide a graphic representation of the procedures of the department, also to help us identify control weaknesses and strengths. We use sampling to attempt to audit smarter not harder. We perform some testing of transactions for a given time period to ensure that the controls are working as intended. And we may also send confirmations to obtain an independent assessment or valuation of accounts.

The observations and recommendations that we issue in our audit reports are based on evidence. This evidence is formally organized into work papers which document all the work we do on a particular audit. In our work papers you will find support documentation for observations and recommendations, audit memos summarizing the information of our audit, narratives which describe in prose the procedures the department uses, and a conclusion or opinion on each work paper to document the work that has been performed.

## **INTERNAL AUDIT REPORT (contd)**

Mr. Hilligoss: (contd)

At the conclusion of our audit work, we prepare a written report for management. This report consists of an audit opinion, generally whether the controls are adequate or inadequate, and whether the department is in compliance with applicable guidelines. The report includes observation or a finding of a condition. It includes recommendations to strengthen internal controls or to correct a deficiency noted in the observation. In addition, we include management's response not only to provide equal time for management, but also to indicate concurrence.

The distribution of the audit report is addressed to the department head with copies to the dean and provost or vice president. In addition, all reports are copied to the Vice President for Business and Administration to whom the internal audit department reports.

To insure that we have a meeting of the minds with the auditing management, we have a closing meeting to go over the facts of the audit and the recommendations. Are they suitable? Are they reasonable? Are they practical? It's a very much a two-way dialogue so that we understand each other and how things work. Once we have management's response, we perform a follow-up two to three months after the audit and we also provide a semi-annual executive summary to you, the Board of Trustees.

I would now like to turn our attention to some of the more significant audit results we've had in the last two years. We performed an accounts receivable audit of the entire University in fiscal 1991. Major recommendations focused on the use of the Office of Accounts Receivable Collection Services, as all departments were encouraged to centralize their past due receivables through this department.

We are currently pursuing several investigative audits, coordinating our investigation efforts with University Police, and when necessary the Prosecutor's Office. In addition, we began a fraud education program as I mentioned, "Fraud Detection and Prevention," to raise the consciousness of the University community to the threat of white collar crimes.

We are currently in the process of a major review of the University's Accounts Payable system. We expect a draft report of this integrated EDP and management audit to be completed by the end of May. The review covers all facets of Accounts Payable and its satellite operations.

In January of this year, we completed a review of the University Budget Planning's process to segregate unallowable, unallocable, and unreasonable indirect costs, in the University's cost submission to the federal government. As a result of the review, we are confident that reasonable steps have been taken to detect and to remove unallowable costs.

As liaison with the University's external auditors, Coopers & Lybrand, we coordinated the audit to a successful early close. We hope to increase that time period by two months this coming year to have an opinion by September of 1992.

## **INTERNAL AUDIT REPORT (contd)**

Mr. Hilligoss: (contd)

You will find some statistics and charts on pages 9 through 12, which describe our audit performance. The first pie chart shows the breakdown of our planned and unplanned audits. You'll find that about 30 percent of our audits are unplanned. The second pie chart shows audit cancellations, along with the completed projects, and those audits in process. We also have a whole project management system which notes the time we spent on each audit and that's so we can track how well we are doing.

Turning now to our goals for the upcoming year, we plan to increase our emphasis in the EDP audit area due to the increased proliferation of micro-computers and other decentralized end-user computing. We also plan to modify our management audit approach, that is our major comprehensive audit, to essentially perform limited surveys of low risk areas coupled with in-depth testing and analysis of higher risk areas. It is our goal to also expand our educational services by continuing our fraud education program and increasing our involvement in the development of the Office of Financial Training workshops on administrative procedures and accounting issues.

We firmly believe that one of the best uses of audit time is to help educate employees up front, so that they have the appropriate knowledge of University procedures. Because we find that often it is not a question of wanting to do things right, it is more a question of what is right. And, of course, the coordination of the University's external audit and early close is another goal for 1993.

In 1991, each auditor on staff chose a field of specialization -- be it investigative, financial, data processing, compliance, health care, or operational auditing. The development of individuals in these fields of specialization began in fiscal 1992, and the goal in 1993 is to continue to develop individuals in their respective fields so that the department can be ready to meet the challenges and new technologies that lie ahead.

In the May-June time frame of this year, we will be planning our annual audit plan for 1993 using the auditors analysis approach to strike earlier. Our goal, of course, will be complete the annual audit plan and to carry over as few audits from fiscal '92 as possible.

My final topic this morning regards the audit cycle and audit coverage of our department. The audit cycle is defined as the number of years it takes to audit all entities once -- if you put them all in a long line and took them one after the other. As you will recall, we have approximately 440 audit entities. I might mention that one entity is the University Hospitals, so we have quite a bit of expansion to do on that topic, but most other entities are a given department or a college office.

The last eight years have yielded an average of 55 audits per year, which happens to work out to exactly an 8-year audit cycle. As far as coverage goes, we have about 1 auditor per 2,000 employees. The industry's rule of thumb would indicate about a 3 to 5 year audit cycle and 1 auditor per 1,000 employees based on a recent Coopers & Lybrand article. I will caution, however, that relying merely on the audit cycle or on the number of auditors per thousand employees is not always the best measurement of how well you're covering your risk areas. By using the audit risk analysis, as I

INTERNAL AUDIT REPORT (contd)

Mr. Hilligoss: (contd)

mentioned previously, we find that we can hit the higher risk areas with fewer auditors and therefore put the most resources where they will do the most good.

The final remaining pages in your booklet describe the organization of our department with its director, secretary, staff of nine, which includes two managers, followed by a short resume on each individual. I would like to mention that as far as certifications go, Mr. Nichols mentioned we had some CPA's. We have three Certified Public Accountants and one individual pursuing the CPA. We have two Certified Internal Auditors and two individuals pursuing certified internal audit certificates. We have three individuals who have EDP audit certifications, which is the Certified Information System Auditor, and we have one certified Fraud Examiner.

I sincerely thank you for your attention this morning and would be happy to answer any further questions.

Mr. Teaford:

Does anyone have any questions for Mr. Hilligoss?

Mr. Nichols:

Mr. Teaford, I might in closing mention that there was a discussion at the meeting of the external auditors this past year in which they did comment on the direct involvement and side-by-side involvement of internal auditing and the external audit process, and the professional capabilities that are in that particular office. Although as you can see, we have already had some discussions about Fiscal Year 1993 goals for internal auditing. There certainly are still some areas where we would like to improve. I believe that it is fair to say that probably in the process, with regards to both external and internal auditing, we are probably in a situation where we have a relatively seamless auditing procedure in terms of trying to catch the entire spectrum of audit situations. And I would be remiss, based on those past discussions that I mentioned over a two-year period, if I did not thank Mr. Kessler for some of his insights with regards to that comprehensive audit function.

Mr. Teaford:

Thank you. I would just add, Mr. Hilligoss, that I think it again demonstrates that indeed the University is lean and mean in terms of its employees. Because once again, we are doing a function with about half as many employees and that is because of the hard work in your area and we appreciate that. Thank you for your report.

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April 3, 1992 meeting, Board of Trustees

**EMPLOYMENT OF ARCHITECTS/ENGINEERS AND  
REQUEST FOR CONSTRUCTION BIDS**

Resolution No. 92-111

**KEPLER CLUBHOUSE MODIFICATIONS**

Synopsis: Authorization to employ architects/engineers and request construction bids for the Kepler Clubhouse Modifications is proposed.

WHEREAS the Kepler Clubhouse at the University Golf Courses does not comply with the newly enacted Americans with Disability Act of 1992 and the Department of Athletics desires to bring this facility into compliance; and

WHEREAS the facility modifications will include a new elevator that will provide access to everyone at three levels, new accessible restrooms for women, improvements to the existing men's restrooms to provide full access, and improvements to the current lobby, lounge, and women's locker room; and

WHEREAS the total estimated project cost is \$480,000.00, and the total estimated construction cost is \$400,000.00, with funding provided by the Department of Athletics:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Acting Vice President for Business and Administration be authorized to select qualified architectural/engineering firms as necessary for this project and that the fees for these services be negotiated between the firms selected and The Ohio State University; and

BE IT FURTHER RESOLVED, That the President and/or Acting Vice President for Business and Administration be authorized to request construction bids on this project in accordance with established University procedures, and if satisfactory bids are received, to award contracts, with all actions to be reported to this Board at the appropriate time.

Upon motion of Mr. Shumate, seconded by Mr. Barone, the Board of Trustees adopted the foregoing resolution by unanimous roll call vote.

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**ABOLISHMENT OF THE MANDATORY RETIREMENT AGE**

Resolution No. 92-112

Synopsis: Approval of the abolishment of the mandatory retirement policy is proposed.

WHEREAS the United States Congress enacted the 1986 Amendments to the Age Discrimination in Employment Act (ADEA) which provisions prohibit the mandatory retirement of tenured Faculty in Colleges and Universities on January 1, 1994; and

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**ABOLISHMENT OF THE MANDATORY RETIREMENT AGE (contd)**

WHEREAS the Board of Trustees adopted a policy on April 10, 1939, as amended on December 6, 1943, and July 13, 1962, providing that officers and employees of the University who are members of the State Teachers Retirement System and the Public Employees Retirement System must retire not later than the end of the contract year in which the officer or employee reaches age 70; and

WHEREAS the Faculty Compensation and Benefits Committee and the University Senate along with the President's Executive Committee have reviewed and recommended that the mandatory retirement policy for faculty be abolished prior to January 1, 1994:

NOW THEREFORE

BE IT RESOLVED, That upon recommendation by President Gee, the Board of Trustees hereby approves the abolishment of the mandatory retirement policy effective January 1, 1993.

Mr. Teaford:

I believe that Professor Maurer would like to address us with regard to this issue and I would ask you to be succinct.

Professor A. E. Wallace Maurer:

Thank you. I presume that you have read my letters and that is why you have asked me to be succinct. I believe I did not hear something near the beginning of your presentation on the legal position of the University with respect to the exemption that was granted to them in 1986. You used the word -- it wasn't obligatory, but it was something like that.

Ms. Tom:

The word was "mandatory."

Professor Maurer:

Did you suggest that universities legally were required not to grant mandatory retirement until 1994?

Ms. Tom:

Universities have to lift the mandatory retirement on January 1, 1994.

Professor Maurer:

All right. What is also in that act and amendment is that universities could, if they wished, waive that exemption. Indeed, by this time universities and colleges, public ones in nineteen of the States and in Puerto Rico, have already done so.

I got to thinking about this issue because, frankly, I have been affected by it. So I began to do research on it and provided the central administration with that research. In a nut shell, the problem is that there is a good deal of wide spread skepticism about the competence, perspective, and alertness of people as they age. Indeed, I don't share that skepticism. Instead, it has been my experience that the perspective



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Professor Maurer: (contd)

and finesse of people as they grow wiser and older increases. I have seen some awesome accumulations of competence and capability.

I will mention just one on this campus, some of you have no doubt heard the pianist, Earl Wild. In his seventy-fifth year in New York at Carnegie he put on a birthday performance -- a program of challenge which I have never observed elsewhere at any time. The universal planetary response to that was, "The man is at the height of his powers," which, however, is where he has been all of his life.

Now to get specifically to the point here, the reason that exemption came into existence was that some universities in the country feared a return of a massive number of faculty at age 70, who would draw a pension and then renegotiate a salary, and would break the bank. And there are indeed some universities where this is the case. Yale has a 76 percent of its faculty remaining until age 70. Harvard has 77 percent of its faculty remaining until age 70. Chicago has 64 percent of its faculty remaining until age 70. And that is a frightening prospect financially, at any rate.

That is not the case as fundamental research done this past summer has shown. This is in a document which Congress is going to use in 1994, raising the question of "What shall we do when the exemption is lifted?" "Will universities be in trouble financially?" There is a document which surveyed over 300 universities -- 20 or 25 of them in-depth. There was a subsequent document from Princeton which likewise analyzed universities in detail, checking on retirement patterns as a result of lifting the exemption at some of these universities. What has been uniformly discovered is that there has been no change in the retirement patterns.

In universities like this one -- would you believe it -- which is a powerful research and teaching institution -- those terms I have welded in my mind -- the amount of faculty who remain on until age 70 is something like 1.6 percent. And most faculty retire in their early 60's.

So what it came down to here is -- the issue between some of us and the administration - - that there are in fact 5 people who are interested in staying on. And all 5 are financial idiots, because the retirement system here is a magnificent one -- one of the best in the country. The buy-out system is the means whereby one relieves the pressure at the top, if universities are fearful that aged professors are going to stay on and are blocking the entry of new ones. The studies that I have alluded to show that nothing of this sort happens. There is nothing to be feared of professors staying on.

Now the issue here is that five professors are interested in staying on. The central administration and its committee examined this, and I felt that the research pattern used was incorrect since the University of Chicago design was applied to this institution. Remember that the University of Chicago has 64 percent of its faculty staying on until age 70, this institution has around 1.0 percent.

President Gee looked over the studies from both sides and abolished the exemption. A magnificent act. I unconditionally support it and if the President ever falters on it, I will take him in hand.

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Professor Maurer: (contd)

So the exemption is abolished. The effect upon the five of us -- and I feel uneasy now, because I sound very much like an axe grinder and a special pleader. I cannot avoid that situation; I am one of the five. What has happened in the disposition of this issue by the President -- which I have no reservation about whatsoever because I have watched him like a hawk -- I have talked with him and I know that he is taking it all very seriously. The result of the dating of the lifting of the exemption will allow two of the five to continue, and three of the five not to continue. And I have not been able quite to grasp why that disposition has occurred.

The President has just nodded affirmatively that he is ready to take care of this question. But before you take care of my implicit question, let me ask another one. As I said, I am unconditionally in favor of the abolition of the exemption. My question is why did you abolish it since we are so close to it anyhow?

President Gee:

Dr. Maurer, first of all, let me note that this was an issue that a number of us discussed at great length. Vice President Tom and I spent a great deal of time with the committee discussing it. The truth of the matter is this that the University was not required to lift the mandatory cap until the required time.

After consideration, we decided to ask to do so a year early, because of the fact that we had had this fairly lengthy discussion with the committee and we felt that would allow us some time to plan. The question with this particular year was one in which to do so at the late date that we had anticipated that would take place, would have adversely affected the hiring of new people that we had already hired. These are very tough financial times that we find ourselves in. We had already made commitments to hire some new people based upon the fact that the colleges or the departments had determined that those hires were based upon people retiring at that particular point. That in and of itself, I believe, is significant.

Secondly, I would note that by providing the ability to the departments to be able to hire people back, we have now said to them that no longer are you excluded from being a part of the University, as long as the departments want to make that decision. I would note to the Board that, I believe, in these types of decisions it is important for the department chairs and for the colleges to make the decision, not the University to make an arbitrary decision. The reason I say that is that they can better determine the needs of the departments than can the institution in an arbitrary fashion.

Very candidly for those reasons: 1) that with the serious financial repercussions at a time in which we were not able to look at that in any kind of stop gap measure; and 2) with the lifting of the mandatory rehiring limitation we now provide an opportunity for the University to rehire people on an "as needed basis" with appropriate kinds of response. We believe that does handle the matter. Unfortunately, with everything when there is a certain level of arbitrariness brought about by legal constraint, that arbitrariness does affect a few people and you happen to be one of those.

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Mr. Teaford:

If there are no further questions from the Board, I will entertain a motion to approve the amendment.

Upon motion of Mr. Celeste, seconded by Ms. Casto, the Board of Trustees adopted the foregoing resolution by unanimous roll call vote.

President Gee:

I would like to thank Professor Maurer for his discussion, we did appreciate that. Thank you for coming, Sir.

Professor Maurer:

Thank you for the opportunity.

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**REPORT - UNIVERSITY'S INVESTMENT PORTFOLIO**

Resolution No. 92-113

RESOLVED, That the report on the University's Investment Portfolio, dated March 20, 1992, as submitted to the Fiscal Affairs Committee of the Board of Trustees, be received and filed with the official records of the Board.

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Thereupon the Board adjourned to meet Friday, May 1, 1992, at The Ohio State University Fawcett Center for Tomorrow, Columbus, Ohio.

Attest:

Madison H. Scott  
Secretary

Hamilton J. Teaford  
Chairman